

AMENDED IN ASSEMBLY APRIL 26, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 781**

**Introduced by Assembly Member Leno**

February 18, 2005

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An act to amend ~~Section 7060~~ Sections 7060 and 7060.4 of the Government Code, relating to rental property.

LEGISLATIVE COUNSEL'S DIGEST

AB 781, as amended, Leno. Rental property.

*Existing law authorizes, subject to specified provisions, any public entity that has in effect any system of rent control to require the owner to notify the entity of an intention to withdraw those accommodations from rent or lease, the notice to contain specified information, and the owner to record with the county recorder a memorandum summarizing the provisions of the notice and a certification that actions have been initiated as required by law to terminate any existing tenancies. Existing law sets the date on which the accommodations are withdrawn from rent or lease at 120 days from the delivery in person or by first-class mail of that notice to the public entity except if the tenant or lessee is at least 62 years of age or disabled and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw, then the date of withdrawal of the accommodations of that tenant or lessee is required to be extended to one year after the date of delivery of that notice to the public entity, provided that the tenant or lessee gives written notice of his or her entitlement to an extension to the owner within 60 days of the date of delivery to the public entity of the notice of intent to withdraw.*

*This bill would change the exception for the tenant or lessee who is at least 62 years of age or disabled and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw so that it would apply instead to a tenant or lessee who is at least 62 years of age or disabled and has lived in those accommodations for at least 5 years prior to the date of delivery to the public entity of the notice of intent to withdraw and would extend the date of withdrawal of the accommodations of that tenant or lessee to 5 years after the date of delivery of that notice to the public entity provided that the tenant or lessee gives the owner written notice of this entitlement as required by existing law.*

~~Under the Ellis Act, public entities generally are prohibited from adopting any statute, ordinance, or regulation, or taking any administrative action, to compel the owner of residential real property to offer or to continue to offer accommodations, as defined, in the property for rent or lease.~~

~~This bill would limit this prohibition to owners of residential real property who have owned the property for 5 years.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 7060 of the Government Code is  
2     amended to read:  
3     7060. (a) No public entity, as defined in Section 811.2, *which*  
4     *has in effect any control or system of control on the price at*  
5     *which accommodations are offered for rent or lease*, shall, by  
6     statute, ordinance, or regulation, or by administrative action  
7     implementing any statute, ordinance, or regulation, compel the  
8     owner of any residential real property ~~who has owned the~~  
9     ~~property for five years~~ to offer, or to continue to offer,  
10    accommodations in the property for rent or lease, except for  
11    guestrooms or efficiency units within a residential hotel, as  
12    defined in Section 50519 of the Health and Safety Code, if the  
13    residential hotel meets all of the following conditions:  
14    (1) The residential hotel is located in a city and county, or in a  
15    city with a population of over 1,000,000.

1 (2) The residential hotel has a permit of occupancy issued  
2 prior to January 1, 1990.

3 (3) The residential hotel did not send a notice of intent to  
4 withdraw the accommodations from rent or lease pursuant to  
5 subdivision (a) of Section 7060.4 that was delivered to the public  
6 entity prior to January 1, 2004.

7 (b) For the purposes of this chapter, the following definitions  
8 apply:

9 (1) "Accommodations" means either of the following:

10 (A) The residential rental units in any detached physical  
11 structure containing four or more residential rental units.

12 (B) With respect to a detached physical structure containing  
13 three or fewer residential rental units, the residential rental units  
14 in that structure and in any other structure located on the same  
15 parcel of land, including any detached physical structure  
16 specified in subparagraph (A).

17 (2) "Disabled" means a person with a disability, as defined in  
18 Section 12955.3 of the Government Code.

19 *SEC. 2. Section 7060.4 of the Government Code is amended*  
20 *to read:*

21 7060.4. (a) Any public entity which, by a valid exercise of its  
22 police power, has in effect any control or system of control on  
23 the price at which accommodations are offered for rent or lease,  
24 may require by statute or ordinance, or by regulation as specified  
25 in Section 7060.5, that the owner notify the entity of an intention  
26 to withdraw those accommodations from rent or lease and may  
27 require that the notice contain statements, under penalty of  
28 perjury, providing information on the number of  
29 accommodations, the address or location of those  
30 accommodations, the name or names of the tenants or lessees of  
31 the accommodations, and the rent applicable to each residential  
32 rental unit.

33 Information respecting the name or names of the tenants, the  
34 rent applicable to any residential rental unit, or the total number  
35 of accommodations, is confidential information and for purposes  
36 of this chapter shall be treated as confidential information by any  
37 public entity for purposes of the Information Practices Act of  
38 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of  
39 Part 4 of Division 3 of the Civil Code). A public entity shall, to  
40 the extent required by the preceding sentence, be considered an

1 “agency,” as defined by subdivision (d) of Section 1798.3 of the  
2 Civil Code.

3 (b) The statute, ordinance, or regulation of the public entity  
4 may require that the owner record with the county recorder a  
5 memorandum summarizing the provisions, other than the  
6 confidential provisions, of the notice in a form which shall be  
7 prescribed by the statute, ordinance, or regulation, and require a  
8 certification with that notice that actions have been initiated as  
9 required by law to terminate any existing tenancies. In that  
10 situation, the date on which the accommodations are withdrawn  
11 from rent or lease for purposes of this chapter is 120 days from  
12 the delivery in person or by first-class mail of that notice to the  
13 public entity. However, if the tenant or lessee is at least 62 years  
14 of age or disabled; and has lived in his or her accommodations  
15 for at least ~~one year~~ *five years* prior to the date of delivery to the  
16 public entity of the notice of intent to withdraw pursuant to  
17 subdivision (a), ~~then~~ the date of withdrawal of the  
18 accommodations of that tenant or lessee shall be extended to ~~one~~  
19 ~~year~~ *five years* after the date of delivery of that notice to the  
20 public entity, provided that the tenant or lessee gives written  
21 notice of his or her entitlement to an extension to the owner  
22 within 60 days of the date of delivery to the public entity of the  
23 notice of intent to withdraw. In that situation, the following  
24 provisions shall apply:

25 (1) The tenancy shall be continued on the same terms and  
26 conditions as existed on the date of delivery to the public entity  
27 of the notice of intent to withdraw, subject to any adjustments  
28 otherwise available under the system of control.

29 (2) No party shall be relieved of the duty to perform any  
30 obligation under the lease or rental agreement.

31 (3) The owner may elect to extend the date of withdrawal on  
32 any other accommodations up to ~~one year~~ *five years* after date of  
33 delivery to the public entity of the notice of intent to withdraw,  
34 subject to paragraphs (1) and (2).

35 (4) Within 30 days of the notification by the tenant or lessee to  
36 the owner of his or her entitlement to an extension, the owner  
37 shall give written notice to the public entity of the claim that the  
38 tenant or lessee is entitled to stay in their accommodations for  
39 ~~one year~~ *five years* after date of delivery to the public entity of  
40 the notice of intent to withdraw.

1 (5) Within 90 days of date of delivery to the public entity of  
2 the notice of intent to withdraw, the owner shall give written  
3 notice to the public entity and the affected tenant or lessee of the  
4 owner's election to extend the date of withdrawal and the new  
5 date of withdrawal under paragraph (3).

6 (c) The statute, ordinance, or regulation of the public entity  
7 adopted pursuant to subdivision (a) may also require the owner to  
8 notify any tenant or lessee displaced pursuant to this chapter of  
9 the following:

10 (1) That the public entity has been notified pursuant to  
11 subdivision (a).

12 (2) That the notice to the public entity specified the name and  
13 the amount of rent paid by the tenant or lessee as an occupant of  
14 the accommodations.

15 (3) The amount of rent the owner specified in the notice to the  
16 public entity.

17 (4) Notice to the tenant or lessee of his or her rights under  
18 paragraph (3) of subdivision (b) of Section 7060.2.

19 (5) Notice to the tenant or lessee of the following:

20 (A) If the tenant or lessee is at least 62 years of age or  
21 disabled; and has lived in his or her accommodations for at least  
22 ~~one year~~ *five years* prior to the date of delivery to the public  
23 entity of the notice of intent to withdraw, ~~then~~ tenancy shall be  
24 extended to ~~one year~~ *five years* after date of delivery to the public  
25 entity of the notice of intent to withdraw, provided that the tenant  
26 or lessee gives written notice of his or her entitlement to the  
27 owner within 60 days of date of delivery to the public entity of  
28 the notice of intent to withdraw.

29 (B) The extended tenancy shall be continued on the same  
30 terms and conditions as existed on date of delivery to the public  
31 entity of the notice of intent to withdraw, subject to any  
32 adjustments otherwise available under the system of control.

33 (C) No party shall be relieved of the duty to perform any  
34 obligation under the lease or rental agreement during the  
35 extended tenancy.

36 (d) The statute, ordinance, or regulation of the public entity  
37 adopted pursuant to subdivision (a) may also require the owner to

- 1    notify the public entity in writing of an intention to again offer
- 2    the accommodations for rent or lease.

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